

World Asparagus Situation & Outlook

Production and Trade in Fresh Asparagus for Selected Countries

In 2004, the top four asparagus producers were China at 587,500 tons, followed by Peru (186,000 tons), the United States (102,780 tons), and Mexico (67,247 tons), according to data from the Food and Agriculture Organization (FAO) of the United Nations and estimates from FAS/China (see attaché report #CH5045).

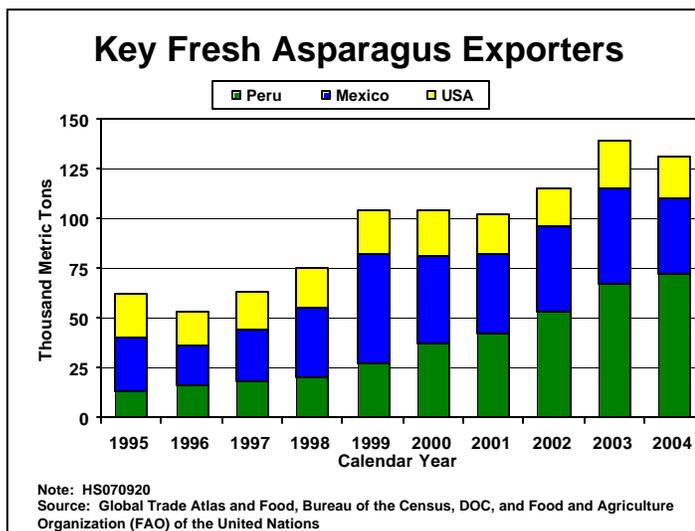
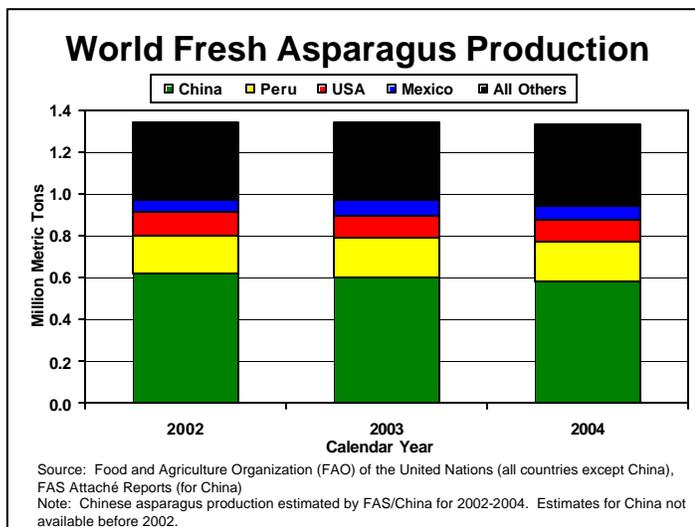
Many growers are worried about a mature world asparagus market, where supply is increasing faster than demand in many markets and causing prices to drop. Peruvian asparagus producers have already experienced falling prices in the United States and Europe, according to FAS/Peru (see attaché report #PE5009).

The top exporters in 2004 by quantity were Peru (73,038 tons), Mexico (37,211 tons), and the United States (11,818 tons), according to Global Trade Atlas and U.S. Census Bureau statistics. Only Peru's export market share has grown each year over the last several years.

The top asparagus importers in 2004, by quantity, were the United States (92,405 tons), followed by the European Union-25 (EU-25) (external trade) (18,565 tons), and Japan (17,148 tons), according to Global Trade Atlas and U.S. Census Bureau statistics. The United States imported more than four times the amount than the EU-25, the next largest importer.

China

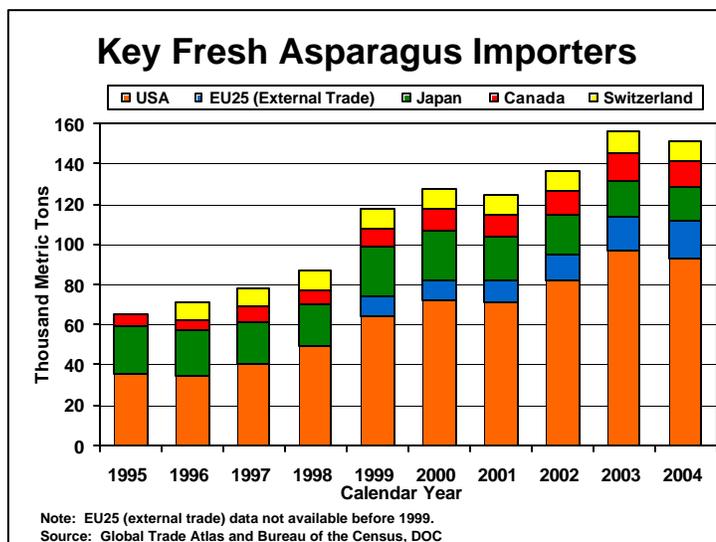
According to FAO data, China is the largest asparagus producer in the world, with production at 5.8 million tons in 2004, more than double the amount a decade ago. However, FAS/China believes that FAO data greatly overstates asparagus



production and acreage. Post also reports that Ministry of Agriculture officials responsible for vegetable policy and production analysis acknowledge this. Post estimates 2004 production at 587,500 tons, and forecasts 2005 production to drop 30 percent to 411,250 tons. For more information, see attaché report #CH5045.

Most asparagus produced in China is white and is exported as processed product. Green asparagus is produced only in limited quantities. Asparagus is harvested in both the spring and fall, although the heaviest production occurs in the spring. Additionally, Japanese and Taiwanese businesses are investing in the Chinese asparagus industry.

China exports processed asparagus to more than 50 countries, but its main markets are in the EU. FAS/China reported that exports are forecast to increase 11 percent to 1,800 tons in 2005. Although asparagus exports to the United States are minimal, they are expected to grow. The United States primarily imports canned asparagus from China.



Greece

Production for 2005 is estimated at 21,000 tons, down 5 percent from 2004. This is a result of significant increases in production costs and strong competition in the European market. For more information, see attaché report #GR5015.

Greece's main market is Central Europe, particularly Germany, Spain, and France. Greece supplies about half of Germany's asparagus imports by volume. Spain buys lower quality asparagus from Greece for canning.

FAS/Greece reported that in December 2004, the Greek Ministry of National Economy published the new Development and Investment Law No. 3299/2004, which has not yet entered the implementation stage. The law provides support for new buildings, modernization of production and packing lines and equipment, and electronic infrastructure for selected sectors, including asparagus.

Japan

Japan is the third largest fresh asparagus importer in the world and the second largest import market for the United States, according to FAO and Global Trade Atlas data. In 2004, Japan's imports of U.S. fresh

asparagus were 2,019 tons, down 24 percent from the previous year, due to increased international competition and higher U.S. export prices, according to FAS/Japan. Japanese asparagus imports from all suppliers are forecast to increase slightly in 2005 and 2006. For more information, see attaché report #JA5039.

The United States is facing increasing competition in the Japanese market. From 1999 to 2004, Japan's fresh asparagus imports from all suppliers declined 30 percent. Japan's imports of U.S. asparagus were 2,020 tons in 2004, down 61 percent over the same period. However, it is important to note that Australia, Japan's largest supplier, exports to Japan during the U.S. off-season, and therefore is not considered a U.S. competitor.

Mexico

Mexican fresh asparagus production in 2005 is forecast at 58,000 tons, up 11 percent from 2004. Higher yields, attractive international prices, and good weather offset tight water supplies and lack of credits. Mexico produces mainly green varieties throughout the year. For more information, see attaché report #MX5053.

FAS/Mexico reported that Mexican asparagus exports plummeted 22 percent to 37,211 tons in 2004, due to international competition. However, exports are forecast at 48,000 tons in 2005, due to expected strong international demand and ample production. The United States and Japan continue to be Mexico's top export markets. FAS/Mexico reported that 90 percent of exported asparagus is shipped to the United States for consumption, and the remaining 10 percent is transshipped through the United States to Japan and the EU. Due to these transshipments, Mexican trade data does not reflect any exports to Japan or the EU.

Peru

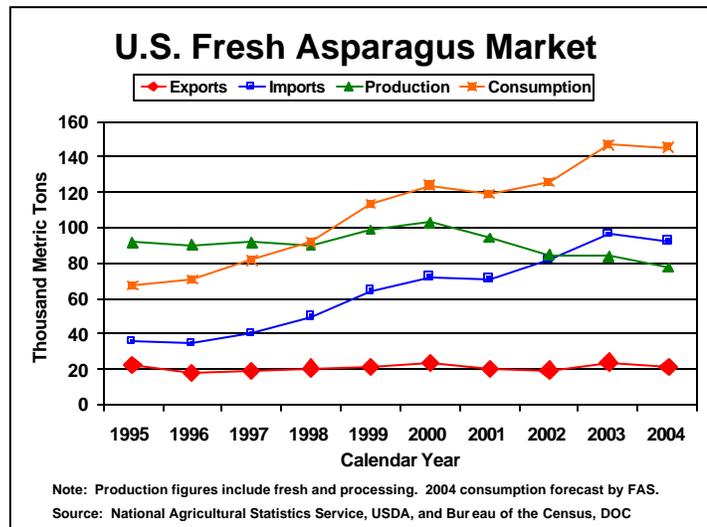
Peruvian asparagus production is forecast to increase slightly to 196,000 tons in 2005 and 200,000 tons in 2006. Although industry analysts report that the world asparagus market has reached a mature stage and production costs have started rising, Peru's production and exports have continued to climb. Due to Peru's favorable climate, asparagus does not have a dormant stage and is grown throughout the year. About 40 percent of asparagus grown in Peru is green and shipped to the U.S. market, while the rest is white, which is processed and sent to the EU market. For more information, see attaché report #PE5009.

Asparagus is one of Peru's leading agricultural exports. Peruvian fresh asparagus exports are forecast to increase 8 percent to 78,000 tons in 2005, due to mature international demand. In 2006, exports are forecast to rise only 3 percent more. The United States is Peru's top market, accounting for 75 percent of Peru's fresh asparagus exports in 2004. Spain is Peru's next largest fresh market, accounting for less than 10 percent.

Peruvian asparagus producers are very concerned about growing competition from Chinese asparagus and the effect on prices. Peruvian asparagus enters the EU duty-free, while Chinese asparagus faces a 16-percent tariff. Despite this, Chinese asparagus is less expensive than Peruvian asparagus. FAS/Peru reported that China only affects the processed asparagus market in the EU, but it has sharply reduced asparagus prices in Europe in the last 3 years.

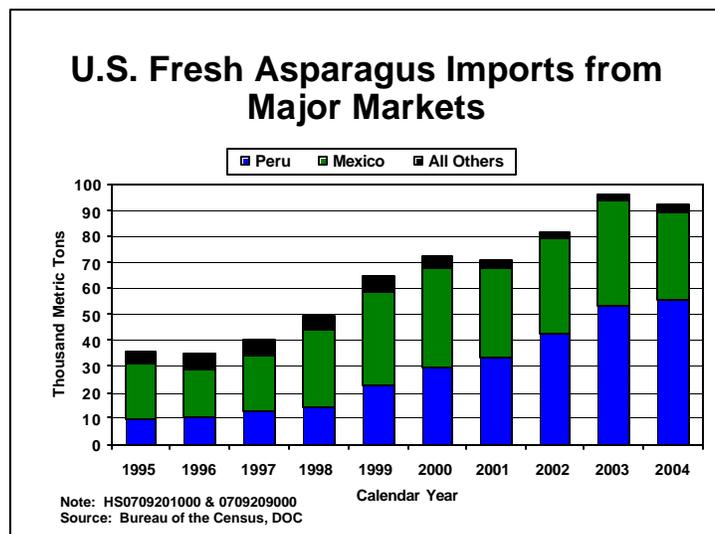
United States

The United States produces mainly green asparagus, with California traditionally producing 80 percent of the crop, followed by Washington. U.S. asparagus production has been declining over the past decade, while world asparagus production has been increasing. U.S. production was 77,470 tons in 2004, down 15 percent from 1995, according to the USDA's National Agricultural Statistics Service (NASS).



Over the last decade, the U.S. asparagus trade balance has widened. In 2004, U.S. asparagus exports were \$36 million, down 45 percent from 1995, according to U.S. Bureau of Census statistics. In 2004, the United States imported \$176 million, up almost 200 percent over the same period. From January to June 2005, U.S. asparagus exports were 9,355 tons, down 13 percent over the same period in 2004. During the first 6 months of 2005, U.S. imports were 49,839 tons, up 32 percent over the same period in 2004.

The U.S. asparagus industry faces intense competition from Peru and Mexico. As a result, U.S. asparagus production and exports have been declining, while imports have been climbing. Over the last decade, U.S. asparagus imports from Peru and Mexico increased close to 500 percent to \$98 million and 100 percent to \$73 million, respectively. Overall, the increased competitiveness of Peruvian asparagus has come from the past USAID crop diversification programs, but even more from the rapid adoption of modern production



technology combined with cheap Peruvian labor. Peruvian producers have also benefited from reduced tariffs provided by the Andean Trade Promotion and Drug Eradication Act (ATPDEA) of 2002, which was intended to persuade Peruvian farmers to stop growing coca as a major part of U.S. anti-drug efforts.

(The FAS attaché report search engine contains reports on the selected vegetable industries for selected countries. In particular, there are reports on the asparagus industries for selected countries, including Japan, Mexico, and Peru. For information on production and trade, contact Shari Kosco at 202-720-2083. For

information on marketing, contact the marketing staff at 202-720-7931. Also see the vegetable webpages at http://www.fas.usda.gov/http/Commodity_Pages/Vegetables/veg_fresh.html and http://www.fas.usda.gov/http/Commodity_Pages/Vegetables/veg_proc.html)

